Because learning changes everything.®

Chapter 10

Leadership

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Learning Objectives

LO 1 Explain how a good vision helps make you a better leader.

LO 2 Discuss the similarities and differences between leading and managing.

LO 3 Identify sources of power in organizations.

LO 4 Know the three traditional approaches to understanding leadership.

LO 5 Understand the important contemporary perspectives on leadership.

LO 6 Identify types of opportunities to be a leader.

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Introduction

Key Leadership Behaviors

1. Challenge the process.
2. Inspire a shared vision.
3. Enable others to act.
4. Model the way.
5. Encourage the heart.

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Vision 1

Vision

- A mental image of a possible and desirable future state of the organization.
- Important for effective leadership.
- A person or team can develop a vision for any job, work unit, or organization.
- Many people fail to develop a clear vision; they focus on performing or surviving day by day.

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Vision 2

Reasons Visions Fail

- May only reflect leader's personal needs.
- May ignore various stakeholder needs.
- Circumstances may dictate that the vision must change.

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Leading and Managing

Effective Managers

- Effective managers are not necessarily true leaders.
- Management positions offer opportunities for leadership.

Charles Butt of H-E-B.

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Leading Is a Unique Role 1

Comparing Leaders and Managers

Managers:

- Dealing with day-to-day complexities of the organization.
- Planning and budgeting routines.
- Keeping everything running.

Leaders:

- Effectively orchestrating important change.
- Setting direction for the firm.
- Inspiring people to attain the vision.

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Leading Is a Unique Role 2

Supervisory Leadership

- Behavior that provides guidance, support, and corrective feedback for day-to-day activities.

Strategic Leadership

- Behavior that gives purpose and meaning to organizations, envisioning and creating a positive future.

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Good Leaders Need Good Followers

Followers

Organizations can succeed or fail because of how well followers follow.

Effective followers:

- Think independently but are committed to organizational goals.
- Demonstrate enthusiasm and commitment to the organization, a person, or a purpose outside their own interests.
- Master important skills.
- Hold high performance standards.

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Power and Leadership

Power

- The ability to influence others.

Sources of Power

- Legitimate.
- Reward.
- Coercive.
- Referent.
- Expert.

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Exhibit 10.1 Sources of Power in Organizations

Source of Power	Example of Power Use in the Workplace
Legitimate	Your supervisor asks you to work an extra shift and you agree.
Reward	The manager gives you a large bonus for exceptional performance.
Coercive	The accounting director assigns you several tasks you dislike.
Referent	Your boss is a great person, so you're willing to work hard for them.
Expert	The marketing team leader is very experienced, so you listen to them.

Source: Adapted from J. R. P. French and B. Raven, "The Bases of Social Power," *in Studies in Social Power*, ed. D. Cartwright (Ann Arbor, MI: Institute for Social Research, 1959).

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Traditional Approaches to Understanding Leadership

Trait Approach

Behavioral Approach

Situational Approach

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Certain Attributes Can Set Leaders Apart 1

Trait Approach

A leadership perspective that attempts to determine the personal characteristics that great leaders share.

Leadership characteristics:

- Drive.
- Leadership motivation.
- Integrity.
- Self-confidence.
- Knowledge of the business.
- Extraverted (sometimes).

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Certain Traits May Set Leaders Apart 2

Trait Approach continued

"Dark Triad" traits: Machiavellianism, narcissism, psychopathy.

Leadership styles often heavily influenced by cultures.

One important personal skill:

- Ability to perceive needs and goals of others and adjust one's personal leadership approach accordingly.

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Certain Behaviors May Make Leaders Effective [1]

Behavioral Approach

- A leadership perspective that attempts to identify what good leaders do—that is, what behaviors they exhibit.

Task performance behaviors.

- Actions taken to ensure that the work group or organization reaches its goals.

Group maintenance behaviors.

- Actions taken to ensure the satisfaction of group members, develop and maintain harmonious work relationships, and preserve social stability.

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Certain Behaviors May Make Leaders Effective 2

Behavioral Approach
continued

Leader–member exchange (LMX) theory.

- Highlights importance of leader behaviors not just toward the group, but also toward individuals on a personal basis.
- Managers must consider cross-cultural differences.

Effective leaders exhibit both task performance and group maintenance behaviors.

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Certain Behaviors May Make Leaders Effective 3

Participation in Decision Making

Autocratic leadership.

- A form of leadership in which the leader makes decisions on their own and then announces those decisions to the group.

Democratic leadership.

- A form of leadership in which the leader solicits input from subordinates.

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Exhibit 10.2 Relating To Your Boss's Leadership Style [1]

If your boss exhibits task performance leadership behaviors, then . . .
Be detailed and specific when providing verbal updates and written reports about the project.
Follow instructions, and when there is a change to the original plan, clear it with your boss.
Expect your boss to closely monitor your work. Be responsive and don't take it personally.
Be prepared for constructive criticism and encouragement to do the best job possible.
Provide your boss with frequent updates about your progress on the project.
Deliver the finished project on time. Don't miss the deadline or ask for an extension.

Sources: Adapted from J. Misumi and M. Peterson, "The Performance-Maintenance (PM) Theory of Leadership: Review of a Japanese Research Program," *Administrative Science Quarterly* 30 (June 1985), pp. 199–223; T. Judge, R. Piccolo, and R. Ilies, "The Forgotten Ones? The Validity of Consideration and Initiating Structure in Leadership Research," *Journal of Applied Psychology* 89 (2004), pp. 36–51; and T. Hammer and J. Turk, "Organizational Determinants of Leader Behavior and Authority," *Journal of Applied Psychology* 72 (1987), pp. 674–83.

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Exhibit 10.2 Relating To Your Boss's Leadership Style [2]

If your boss exhibits group maintenance behaviors, then . . .
Share more freely about personal challenges you are facing at work.
Expect your boss to ask for your opinion about how to solve challenges at work.
Try to be a good team player and seek a consensus with others on key decisions.
Expect your boss to treat you and your coworkers in a fair and consistent manner.
Communicate in an open and transparent manner with others in the work environment.
Give credit to team members for helping with projects and problem-solving.

Sources: Adapted from J. Misumi and M. Peterson, "The Performance-Maintenance (PM) Theory of Leadership: Review of a Japanese Research Program," *Administrative Science Quarterly* 30 (June 1985), pp. 199–223; T. Judge, R. Piccolo, and R. Ilies, "The Forgotten Ones? The Validity of Consideration and Initiating Structure in Leadership Research," *Journal of Applied Psychology* 89 (2004), pp. 36–51; and T. Hammer and J. Turk, "Organizational Determinants of Leader Behavior and Authority," *Journal of Applied Psychology* 72 (1987), pp. 674–83.

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Certain Behaviors May Make Leaders Effective 4

Decision Styles

- Democratic approach results in most positive attitudes.
- Autocratic approach results in higher performance.
- **Laissez-faire style** leads to more negative attitudes and lower performance.
- Unique characteristics of the leader, the followers, and the situation make situational approach appropriate.

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Certain Behaviors May Make Leaders Effective 5

Performance and Maintenance Behaviors

Early studies at Ohio State and University of Michigan looked at task- versus group-oriented behaviors of leadership.

The Blake and Mouton's Leadership Grid® rates managers on performance-oriented behavior and maintenance-oriented behavior.

- Criticized for embracing a simplistic, one-best-way style of leadership.

Diverse leadership styles have a competitive advantage over managers who believe in "one best way."

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The Best Way to Lead Depends on the Situation [1]

Situational Approach

- Leadership perspective proposing that universally important traits and behaviors do not exist, and effective leadership behavior varies from situation to situation.
- Tannenbaum and Schmidt (1958) said managers should consider forces in the manager, the subordinate, and the situation.

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The Best Way to Lead Depends on the Situation 2

The **Vroom Model** of Leadership

- A situational model that focuses on the participative dimension of leadership.
- Five decision styles:
  1. Decide.
  2. One-on-one consultation.
  3. Consult the group.
  4. Facilitate.
  5. Delegate.

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The Best Way to Lead Depends on the Situation 3

Fiedler's Contingency Model of Leadership Effectiveness

- A situational approach to leadership postulating that effectiveness depends on the personal style of the leader and the degree to which the situation gives the leader power, control, and influence over the situation.
- Questions create a decision tree to help classify situation:
  1. Are leader–member relations good or poor?
  2. Is the task structured or unstructured?
  3. Is the leader's position power strong or weak?

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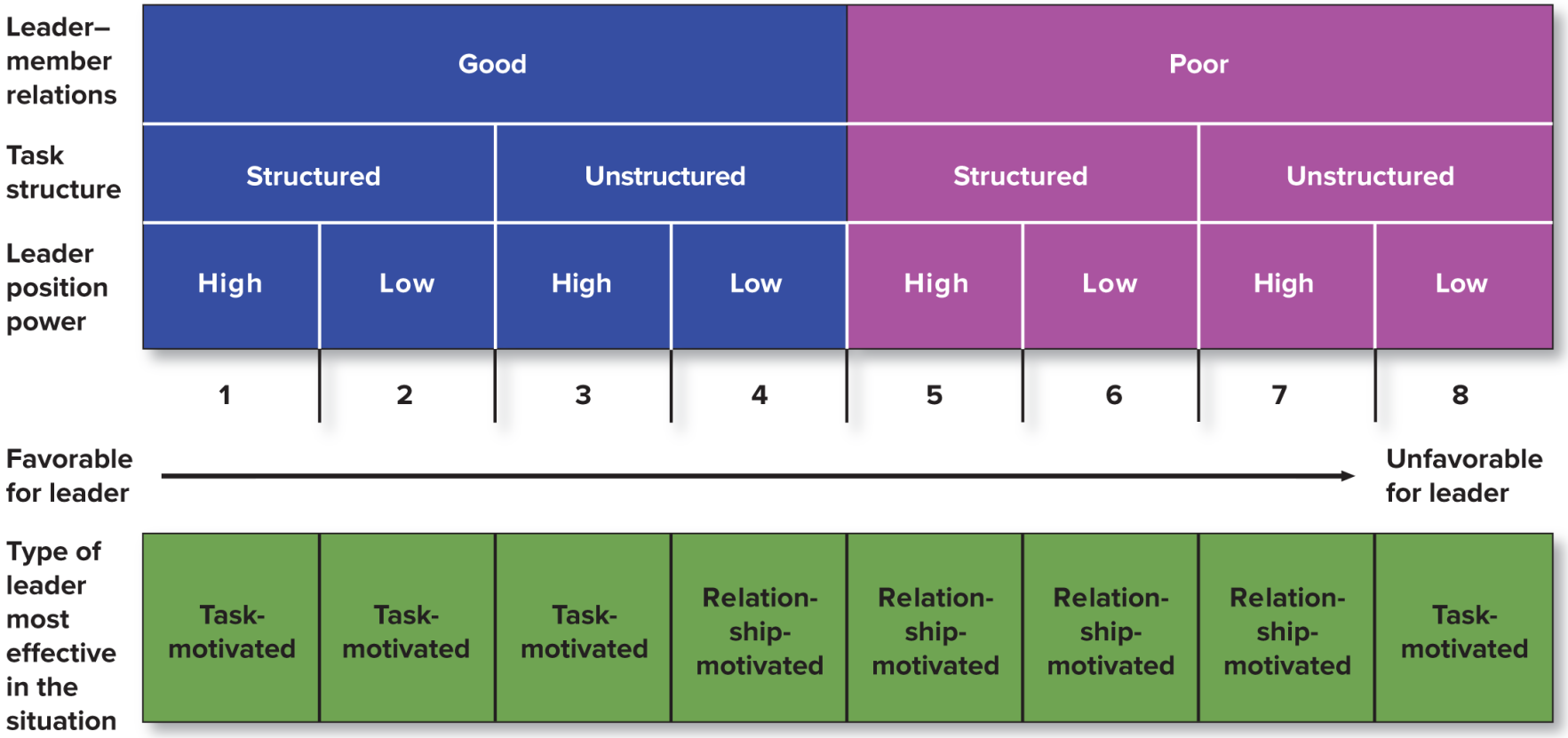
Exhibit 10.3 Fiedler's analysis of situations in which the task- or relationship-motivated leader is more effective



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Source: D. Organ and T. Bateman, *Organizational Behavior*, 4th ed., McGraw Hill.

The Best Way to Lead Depends on the Situation 4

Hersey and Blanchard's **Situational Theory**

A life-cycle theory of leadership postulating that a manager should consider an employee's psychological and job maturity before deciding whether task performance or maintenance behaviors are more important.

Job maturity.

- Level of employee's skills and technical knowledge relative to the task being performed.

Psychological maturity.

- An employee's self-confidence and self-respect.

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The Best Way to Lead Depends on the Situation 5

Path–Goal Theory

- Concerns how leaders influence subordinates' perceptions of their work goals and the paths they follow toward attainment of those goals.

Two key situational factors:

- Personal characteristics of followers.
- Environmental pressures and demands.

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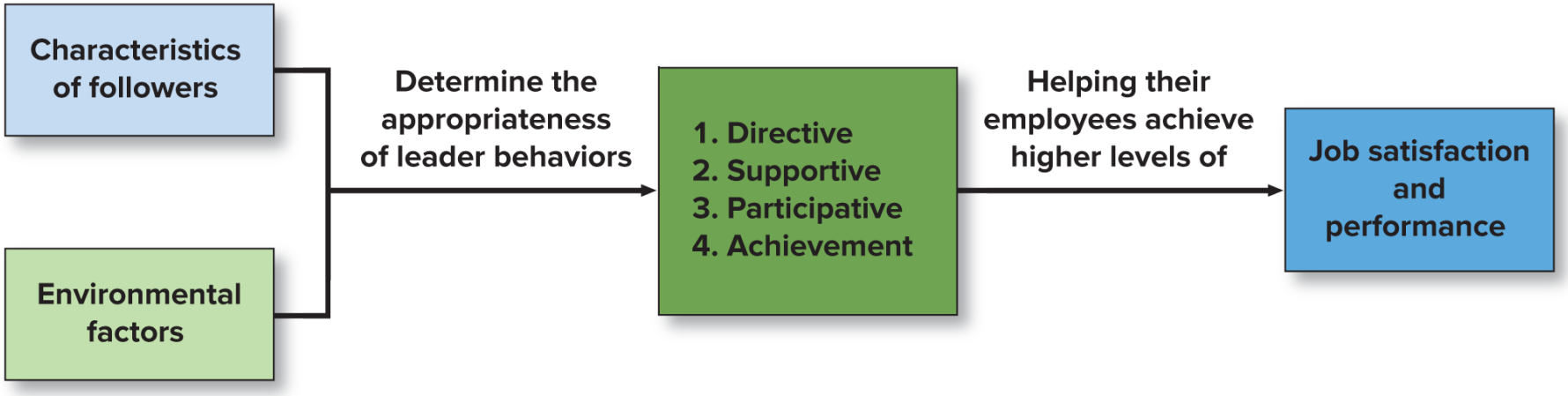
Exhibit 10.4 The Path–Goal Framework



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The Best Way to Lead Depends on the Situation 6

Path-Goal Theory continued

Key follower characteristics:

1. Authoritarianism.
2. Locus of control.
3. Ability.

Key environmental factors:

1. Tasks.
2. Formal authority system.
3. Primary work group.

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The Best Way to Lead Depends on the Situation 7

Substitutes for Leadership

- Include factors in the workplace that can exert the same influence on employees as leaders would provide.
- Concept of substitutes for leadership provides useful and practical prescriptions for how to manage more efficiently.
- Followers should consider creating their own substitute for leadership if leadership is lacking.

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Contemporary Perspectives on Leadership

New Understanding of Leadership

- Charismatic.
- Transformational.
- Transactional.

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Charismatic Leaders Inspire Their Followers

Charismatic Leaders

People who appear dominant, self-confident, and convey a strong conviction in the moral righteousness of their beliefs, and they are able to arouse a sense of excitement and adventure in followers.

- Martin Luther King Jr.
- Nelson Mandela.
- Winston Churchill.
- George Washington.

Martin Luther King Jr. was a charismatic leader with a compelling vision: a dream for a better world.

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Transformational Leaders Revitalize Organizations 1

Transformational Leaders

A leader who motivates people to transcend their personal interests for the good of the group.

- Mary Barra, CEO of GM.
- Steve Jobs.
- Oprah Winfrey.

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Transformational Leaders Revitalize Organizations 2

Transformational Leaders continued

Differs from **transactional leaders**, who view management as a series of transactions in which they use their legitimate, reward, and coercive powers to give commands and exchange rewards for services rendered.

- Not the exclusive domain of presidents and chief executives.

The best leaders are those who can display both transformational and transactional behaviors.

Level 5 leadership is a combination of strong professional will (determination) and humility that builds enduring greatness.

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Authenticity

Authentic leadership is a style in which the leader is true to himself or herself while leading.

- Attributes like honesty, genuineness, reliability, integrity, and trustworthiness.

Pseudo-transformational leaders talk about positive change but allow their self-interest to take precedence over followers' needs.

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You Can Lead

Every organization has plenty of leadership opportunities available.

- At your school, you can lead a study group.

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Seek Opportunities to Lead

Nontraditional Leadership Roles

Servant–leader.

- A leader who serves others' needs while strengthening the organization.

Shared leadership.

- Rotating leadership, in which people rotate through the leadership role based on which person has the most relevant skills at a particular time.

Bridge leaders.

- Leaders who bridge conflicting value systems or different cultures.

Lateral leadership.

- Style in which colleagues at the same hierarchical level are invited to collaborate and facilitate joint problem solving.

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Good Leaders Need Courage

Leaders With Courage

- See things as they are and face them head-on, making no excuses and harboring no wishful illusions.
- Say what needs to be said to those who need to hear it.
- Persist despite resistance, criticism, abuse, and setbacks.

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Group Challenge

Great Leaders

In the areas of business, international politics, U.S. politics, religion, and sports:

- Identify the five most effective leaders you can think of in the category.
- Identify three traits or characteristics that each leader possesses that make them an effective leader.

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Chapter Review

How will vision help a leader?

Difference between leading and managing.

Sources of power:

- Legitimate, reward, coercive, referent, expert.

Three traditional approaches:

- Trait, behavioral, situational.

Contemporary approaches:

- Charismatic, transformational, level 5, authentic, pseudo-transformational.

Nontraditional leadership roles.

- Servant–leaders, bridge leaders, shared leadership, lateral leadership.

Opportunities to be a

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